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To: Supervisor Michael D. Antonovich, Mayor
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             Supervisor Yvonne B. Burke
             Supervisor Zev Yaroslavsky
             Supervisor Don Knabe

From: Jon W. Fullinwider
             Chief Information Officer

             Dave Lambertson, Director
             Internal Services Department

Subject: **Implementation Plan for Auditor-Controller Voice over Internet Protocal (VoIP) Report Recommendations**

On October 3, 2006, your Board directed the Chief Information Office (CIO) and the Internal Services Department (ISD) to provide a plan to implement recommendations in the September 22, 2006 Auditor-Controller report on the selection and implementation of a VoIP standard for the telephone system at LAC+USC Medical Center Replacement Facility. Attached is a high-level implementation plan that provides the proposed approach to implementing these recommendations and estimated timelines for completion.

If you have questions or require additional information, please contact us.

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Attachment

c: Chief Administrative Officer
      Auditor-Controller
      County Counsel
      Executive Officer, Board of Supervisors
      IT Board Deputies

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"To Enrich Lives Through Effective And Caring Service"

Implementation Plan for Auditor-Controller Recommendations on Selection and Implementation of VoIP Standard

Recommendation #1:

The CIO and ISD issue enhanced protocols for Board approval to clarify desired controls.

Proposed Approach

This recommendation addresses the need to define enhanced protocols to clarify the statutory requirement identified in County Code Section 2.119.030(C). This code section states that the CIO will adopt standards for countywide information technology, which shall be subject to approval by the Board of Supervisors.

The CIO will implement a process to formally seek formal Board approval for County-wide IT standards that results in the selection of a specific product or vendor. Essentially, these items will be calendared on the Board agenda for approval.

The CIO, in partnership with ISD, will collaborate with other County departments to develop clear protocols for the approval of IT related standards. In pursuing this action, several issues and questions need to be addressed. They include:

- What countywide information technology items should be included in the Board approval process? Broadly defined, "information technology standards" beyond the selection of product specific solutions could encompass a wide range of items such as processes, strategic directions, services, data interface standards and other items. It is important to identify and distinguish which of these items require specific Board approval.

- To what extent should individual departmental IT standards be included in the approval process? Departmental IT standards adopted by departmental IT functions and management are important in determining Countywide standards.

- Who are the stakeholders in the process and what is the role of departments in providing input when establishing standards?

To provide guidance in the above and other areas, an IT governance committee will be established under the auspices of the County's Guiding Coalition (GC) and chaired by the CIO. It would be comprised of a cross section of County leadership and executives and chartered by your Board.

We will work with the GC IT Governance Committee and County Counsel to formulate appropriate protocols that clarify necessary controls to consistently meet County requirements for Board approval of countywide IT standards.

We anticipate presenting the GC IT Governance Committee charter for your Board's approval by December 31, 2006, and appropriate protocols clarifying Board approval of countywide IT standards by February 28, 2007.

Recommendation #2:

The CIO and ISD collaborate on establishing a formal process for evaluating and selecting "standards" for implementation of strategic/enterprise information technology. Such a process should include detailed procedural guidelines, similar to those promulgated by ISD for the issue and evaluation of Request for Proposals (RFP), and should be similarly comprehensive.

Proposed Approach

As discussed above, IT standards represent a broad array of areas and one single approach may not be suitable. For example, while an RFI process may be appropriate for establishing equipment standards, it would not be suitable as a mechanism for establishing County IT strategies.

Considerable effort and expertise is required to research, develop, refine and maintain the currency of IT standards. The CIO will establish a CIO Advisory Council comprised of department chief information officers/IT managers that will act as an IT advisor to the CIO. The CIO Advisory Council will be chartered to work collaboratively to review and analyze County business requirements that may require establishment of standards and to make recommendations on technology solutions to the CIO that will be subsequently presented to GC IT Governance Committee for adoption and to your Board for approval.

The CIO will work with the CIO Advisory Council to establish a formal process for selecting and recommending an IT standard for the GC IT Governance Committee consideration. As indicated above, the approach will vary depending on the nature of the standard being considered.

We will be establishing the CIO Advisory Council in the January timeframe and expect to establish a formal IT standards identification and approval process by February 28, 2007.

Recommendation #3:

The CIO and ISD should formally submit the proposed change in telephone system standard (to VoIP), and separate decision to select Cisco as the County's VoIP architecture for review and approval.

Proposed Approach

We will be formally submitting in separate actions for Board consideration the following:

- Adoption of VoIP technology for new or upgraded County telephone systems. This will formalize the recommendation that only VoIP telephone systems be implemented when new or upgraded telephone systems, including call centers are needed for County leased/owned facilities. This will be presented for Board consideration in the November/December 2007 timeframe.

- Adoption of Cisco VoIP systems as the County's VoIP architecture. The timeframe for docketing this item for Board action may be impacted by your Board's October 3, 2006 directive instructing the Chief Administrative Office, County Counsel, and Auditor-Controller to evaluate whether a new selection process should be conducted for the selection of a Countywide VoIP solution. Once the results of this assessment have been reviewed/approved by your Board, we will undertake the appropriate action and seek Board approval, if required.

  It is important to note that because of the rapidly evolving nature of technology, we are constantly assessing technology solutions to identify new product offerings to meet County business requirements. Consequently, as identified in our September 14, 2006 Board Report on VoIP at the LAC+USC Replacement Facility, we are currently evaluating AT&T's recently introduced managed VoIP telephony service as a complement to Cisco's architecture, which requires County management and support.

Recommendation #4:

The CIO and ISD should work together to resolve all scoring discrepancies and publish a revised scoring sheet for the RFI.

Completed

This recommendation pertains to scoring discrepancies that the Auditor-Controller identified for the Request for Information (RFI) evaluation process that established Cisco as the exclusive supplier of VoIP equipment to the County.

ISD, who led the RFI process, has examined the original scoring submissions, resolved all scoring discrepancies, completed a report on corrections, and has submitted it to the Auditor-Controller (see attached). The scoring errors were minor and had no impact on the ranking of the vendors.

Recommendation #5:

The CIO and ISD should ensure that future solicitations give more weight to cost as a scoring factor to foster a competitive selection process.

Proposed Approach

This recommendation pertains to the perceived low weighting by the Auditor-Controller of the cost component (10%) for the VoIP RFI and the need to establish cost as a significant factor in future IT solicitations.

We disagree with this recommendation. While placing emphasis on cost is clearly appropriate for commodity IT purchases (e.g., personal computers, disk storage services, computer servers, etc.), we believe for many IT solicitations this is problematic for a myriad of reasons such as product functionality, compatibility with existing technology solutions, security, product monitoring, software updates, staff training and product management. These are but a few evaluation areas that will weigh more heavily than cost.

It is our position, rather than arbitrarily selecting weighting for cost (e.g. 15%, 20%, 30%, etc.), it is more prudent that evaluation weightings for information technology solicitations be based on "best value". This includes evaluation and comparison of all relevant factors, in addition to cost, so that the overall combination of the factors address the procurement and operational objectives (some of which are described above). This has been identified as a best practice and is used by federal and state governments for IT solicitations.

Awarding bids based on best value shifts technology solicitations away from broad objectivity, where lowest price is given extraordinary weight in the selection process, to a knowledge-based procurement process where operational criterion are important factors, which offers the best long term value. These factors include:

- Total cost of ownership (this includes implementation, operational and replacement costs)
- Performance history of vendor
- Quality of goods
- Proposed technical performance
- Cost of necessary training
- Realistic risk assessment of the proposed solution
- Availability and cost of technical support
- Compatibility with existing technologies
- Security implications
- Staff training

In the case of the RFI process that selected Cisco as the supplier of VoIP equipment, the purpose of this was to establish a VoIP product that represented the best solution for the County. By minimizing the cost factor in this product review, we were able to assess quality, vendor performance, as well as assess the operational support required to ensure the sustaining viability of the selected product within the County support organizations.

We believe that the County IT solicitation process must incorporate flexibility when determining evaluation weightings and County managers should be given discretion to determine those ratings on a case-by-case basis, with a corresponding requirement to thoroughly document all aspects of the decision making process.

We will work with the GC IT Governance Committee to continue to identify and establish best practices to further structure this best value solicitation practice within the County.